

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

AND

OPERATIONS AND CAPITAL COMMITTEE MEETING

WEDNESDAY, FEBRUARY 15, 2006

3:00 p.m.

**IN THE MARY BRENNAN BOARD ROOM, T. F. GREEN AIRPORT,
WARWICK, RHODE ISLAND**

The combined meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee and Operations and Capital Committee was called to order by Vice-Chairman of the Board, James Forte, at 3:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte, Joseph Cianciolo; Robert Sangster.

COMMITTEE MEMBER ABSENT: Joseph Larisa.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Laurie K. Cullen, A.A.E., Executive Vice President; Brian C. Schattle, Senior Vice President of Finance and Administration/CFO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and

Maintenance; Peter A. Frazier, Chief Legal Counsel; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes: Mr. Sangster moved that the minutes of the Operations and Capital Committee Meeting of January 27, 2006 be approved. Mr. Cianciolo seconded the motion. The motion was passed unanimously.

Mr. Cianciolo moved that the minutes of the Finance and Audit Committee Meeting of January 27, 2006 be approved. Mr. Forte seconded the motion. The motion was passed unanimously.

2. Report from Senior Vice President of Operations and Maintenance:

Ms. Greenberger reported that the Registered Traveler program is moving forward; however there is still no indication of how many airports will participate in the program.

Ms. Greenberger reported that there will be a TSA tabletop exercise in July 2006.

3. Report from Chief Auditor/Financial Analyst:

Mr. Dansereau provided a summary of audits that have recently been completed or are currently in progress.

4. Report from Senior Vice President of Finance/Chief Financial

Officer:

Mr. Schattle reported that Requests for Proposals for Banking and Cash Management, Insurance Advisory Services Executive Search and Recruitment Services, have been issued and it is anticipated that recommendations will be brought to the Board Meeting in March or April.

Mr. Schattle gave an overview of preparations for the Bond Financing for the Intermodal project.

5. Discussion Items:

(a) Discussion of Capital Improvement Program (CIP) (i.e., Land Acquisition Program, Draft Environmental Impact Statement, Airfield Maintenance Facility, Easement Acquisition, In-Line EDS Baggage System/Security Checkpoint Modification and Terminal Building Improvements and Other Projects at the General Aviation Airports.)

This item was deferred for discussion at the Board Meeting.

6. Action Items:

(a) Consideration of and Action Upon Approval of Consultant Task Order for the Concessions Expansion Request for Proposal for T. F. Green Airport.

Mr. Schattle gave an overview of the project noting that the recommendation is for the Committee to authorize the President and CEO, or his designee, to negotiate and execute a Task Order with HNTB Rhode Island to provide consultant services associated with the development of a concessions expansion Request for Proposals document for T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, RIAC contracted with the firm of HNTB Corporation to provide consultant services associated with the installation of the in-line Explosive Detection Systems (EDS) into the baggage make-up systems; and

WHEREAS, tasks provided under this contract included: preliminary and design services associated with the in-line EDS system, security screening checkpoint, carpet replacement, concessions planning and programming, security system needs assessments, and ticket counter modifications; and

WHEREAS, RIAC has received a scope and fee from HNTB Rhode Island to provide consultant services associated with development of a concessions expansion Request for Proposals (RFP) documents in the amount of \$116,685 and is currently conducting negotiations; and

WHEREAS, RIAC will fund this project as an unbudgeted expense through the Department of Commercial Programs Professional Fees line item.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a Task Order with HNTB Rhode Island to provide consultant services associated with development of a concessions expansion Request for Proposals document for T. F. Green Airport in an amount not-to-exceed \$116,685, subject to Board approval.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of Consultant Task Order for Design and Removal of Off-Airport Obstructions at North Central Airport.

Ms. Cullen gave an overview of the project reporting that the recommendation is that the Committee authorize the President and CEO, or his designee, to provide design and construction phase services for the Design and Remove Off-Airport Obstructions Project at North Central Airport, subject to Board approval and FAA approval.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo

to approve the following resolution:

WHEREAS, RIAC has contracted with the firm of Dufresne-Henry, Inc. to perform on-call architectural and engineering services; and

WHEREAS, RIAC received a scope and fee from Dufresne-Henry, Inc. to provide design and construction phase services in the amount of \$138,850 and is currently conducting negotiations; and

WHEREAS, the current Fiscal Year 2006 Budget includes a total of \$540,750 for this project \$514,999 through the FAA Airport Improvement Program (AIP) and \$25,751 through the General Purpose Fund; and

WHEREAS, this Task Order will initially be funded through the General Purpose Fund with 95% (\$131,908) reimbursement from the FAA upon receipt of a Federal AIP grant offer.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby recommends that the President and CEO, or his designee, negotiate and execute a Task Order with Dufresne-Henry to provide design and construction phase services for the Design and Remove Off-Airport Obstructions Project at North Central Airport in an amount not-to-exceed \$138,850, subject to Board and FAA approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval of Consultant Task Order for Design and Removal of Off-Airport Obstructions at Westerly Airport.

Ms. Cullen gave an overview of the project reporting that the recommendation is that the Committee authorize the President and CEO, or his designee, to provide design and construction phase services for the Design and Remove Off-Airport Obstructions Project at Westerly Airport, subject to Board approval and FAA approval.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, RIAC has contracted with the firm of Dufresne-Henry, Inc. to perform on-call architectural and engineering services; and

WHEREAS, RIAC received a scope and fee from Dufresne-Henry, Inc. to provide design and construction phase services in the amount of \$140,714 and is currently conducting negotiations; and

WHEREAS, the current Fiscal Year 2006 Budget includes a total of \$1,801,500 for this project \$1,027,425 through the FAA Airport Improvement Program (AIP) and \$54,075 through the General

Purpose Fund; and

WHEREAS, this Task Order will initially be funded through the General Purpose Fund with 95% (\$133,678) reimbursement from the FAA upon receipt of a Federal AIP grant offer.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby recommends that the President and CEO, or his designee, negotiate and execute a Task Order with Dufresne-Henry to provide design and construction phase services for the Design and Remove Off-Airport Obstructions Project at Westerly Airport in an amount not-to-exceed \$140,714, subject to Board and FAA approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Award of Professional Service Agreement for the Completion of an Investment Grade Audit for a Potential Energy Saving Performance Contract.

Mr. Schattle gave an overview of the project reporting that the recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Professional Services Agreement with ConEdison Solutions to perform an Investment Grade Audit for a potential Energy Saving Performance Contract, subject to Board

approval. There was discussion of the selection process.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the State and Federal Energy Office are promoting a “Rebuild America” program in an effort to reduce air emissions by enhancing a building’s energy efficiency and performance; and

WHEREAS, the State of Rhode Island qualified Chevron/Texaco, ConEdison Solutions, Noresco, and Siemens Building Technologies, Inc. to provide Energy Saving Performance Contracts; and

WHEREAS, RIAC issued a Request for Technical/Feasibility Proposal to all four qualified firms on September 14, 2005; and

WHEREAS, ConEdison and Siemens Building Technologies, Inc. submitted proposals in response to this solicitation; and

WHEREAS, a Selection Committee comprised of Marci A. Greenberger, A.A.E. Senior Vice President of Operations and Maintenance, Brian Schattle, Chief Financial Officer, Jose DaSilva, AVP Building Maintenance, Keith Holmander, Manager of Building Maintenance, and Tim Howe from the State of Rhode Island Energy Office, reviewed the proposals and selected the firm of ConEdison to perform this service; and

WHEREAS, the approved Fiscal Year 2006 Operating Capital budget includes \$100,000 for this service.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby recommends that the President and CEO, or his designee, execute a Professional Service Agreement (PSA) with ConEdison Solutions in the amount of \$85,000 to perform an Investment Grade Audit for a potential Energy Saving Performance Contract, subject to Board approval.

The motion was passed unanimously.

(e) Consideration of and Action Upon Selection of Underwriter for the Intermodal Project.

Mr. Cianciolo gave an overview of the selection process and reported that the recommendation is that the Committee authorize the President and CEO, or his designee, to request that the EDC appoint Bear, Stearns & Co. Inc., as Senior Managing Underwriter for the Intermodal Special Facility Bonds, subject to Board approval.

A motion was made by Mr. Cianciolo and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation ("RIAC") is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (the "State") organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the "Act") as a subsidiary public corporation of the Rhode Island Economic Development Corporation (the "EDC"); and

WHEREAS, RIAC intends to finance a portion of the proposed Intermodal Facility with Special Facility Revenue Bonds issued by the EDC on behalf of RIAC; and

WHEREAS, RIAC issued a request for proposals for Senior Managing Underwriter for the Intermodal Facility Bonds and received eight responses; and

WHEREAS, the Selection Committee, consisting of the Treasurer, the Vice Chairperson and the CFO has reviewed the proposals and has interviewed four of the potential candidates; and

WHEREAS, the Selection Committee has recommended that Bear, Stearns & Co. Inc. be appointed as Senior Managing Underwriter.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his

designee, to request that the EDC appoint Bear, Stearns & Co. Inc., as Senior Managing Underwriter for the Intermodal Special Facility Bonds, subject to Board approval.

The motion was passed unanimously.

(f) Consideration of and Action Upon Budget Amendment for New Positions.

The recommendation is that the Committee authorize the President and CEO, or his designee, to increase the Fiscal Year 2006 budget to include funds for seven (7) additional positions as approved by the Compensation Committee on February 10, 2006, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, at the Compensation Committee Meeting on February 10, 2006, the Committee approved the staff recommended changes to the Organizational Chart and referred the issue to the Finance and Audit Committee to confirm fund availability for the new positions; and

WHEREAS, the estimated cost of these new positions in FY06 is approximately \$150,000; and

WHEREAS, there are sufficient funds in the current year's payroll budget to cover this additional expense.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to increase the Fiscal Year 2006 budget to include funds for seven (7) additional positions as approved by the Compensation Committee on February 10, 2006, subject to Board approval.

The motion was passed unanimously.

(g) Consideration of and Action Upon Mission Statements for Operations and Capital Committee and Finance and Audit Committee.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo approving the mission statements for the Operations and Capital Committee and Finance and Audit Committee in substantially the form presented.

The motion was passed unanimously.

(h) Consideration of and Action Upon Approval of a Five Year Capital Improvement Program.

Mr. Schattle gave a brief summary of the program and reported that

the recommendation is that the Committee adopt the Five Year Capital Improvement Program in concept recognizing that it is a changing document, and project estimates, funding sources, and timeframes may be modified, subject to Board approval.

A motion was made by Mr. Cianciolo and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) management staff, along with the assistance of financial advisors and airport consultants, has developed a Five-Year Capital Improvement Program (CIP) to address the needs of the six airports; and

WHEREAS, the CIP, including the Financial Plan, has been presented to the Finance and Audit Committee and the Operations and Capital Committee at the joint meeting.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby adopts the attached Capital Improvement Program in concept, recognizing that it is a changing document, and project estimates, funding sources, and timeframes may be modified, subject to Board approval.

The motion was passed unanimously.

7. Executive Session:

(a) Discussion Related to Potential Litigation – R.I.G.L. § 42-46-5(a)(2).

(b) Discussion Related to Investment of Public Funds (Five Year CIP and Budget Assumptions) – R.I.G.L. § 42-46-5(a)(7).

There was no executive session.

8. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, March 15, 15, 2005, at 3:00 p.m., in the Mary Brennan Board Room, at T. F. Green Airport.

The next Finance and Audit Committee Meeting will be announced.

9. Adjournment:

Mr. Sangster moved to adjourn at approximately 3:33 p.m. Mr. Cianciolo seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James Forte, Vice-Chairman
Rhode Island Airport Corporation

ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
FINANCE AND AUDIT COMMITTEE
AND
OPERATIONS AND CAPITAL COMMITTEE MEETING
FEBRUARY 15, 2006

| NAME | AFFILIATION |
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| Patti Goldstein | RIAC |
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| Doug Dansereau | RIAC |
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| Mel Einhorn | RIAC |
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| Jason Doyle | RIAC |
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| Joe DaSilva | RIAC |
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| Meredith Holderbaum | RI Senate Fiscal Office |
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Robert Goff NEP

Jenna Karlin Unite Here Local 217

John Alvarez Unite Here Local 217

Ken Nathanson ConEdison Solutions

John Johnson ConEdison Solutions